

State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

5/003/068

Jon M. Huntsman, Jr. Governor Kevin S. Carter Director 675 East 500 South, Suite 500 Salt Lake City, Utah 84102-2818 801-538-5100 801-355-0922 (Fax) http://www.trustlands.com

January 14, 2005 Certified Mail 7160 3901 9842 1746 8260

Bruce Mitchell Sawtooth Stone, LLC 103 West Center P.O. Box 49 Oakley, ID 83346

RE:

ML 49384-MP

DOGM S/003/068

RECTIVE

JAN 18 2005

DIV OF OIL GAS & MINING

Dear Mr. Mitchell:

On October 14, 2004, I wrote to you regarding your Notice of Intent filed with the Utah Division of Oil, Gas & Mining to commence mining operations upon trust lands under Mineral Materials Permit ML 49384-MP. In my letter I requested supplemental information and documentation relative to your Notice of Intent and proposed operations upon the lands. I have not received any response from Sawtooth Stone, LLC.

Please be advised that the Notice of Intent filed by Sawtooth Stone, LLC to commence mining or reclamation operations upon state trust lands under ML 49384-MP has not been approved by the Trust Lands Administration. Any commencement of operations upon the lands without a plan of operations approved by the Trust Lands Administration shall be a breach of the terms and conditions of the contract and be considered a trespass of state trust lands.

Please contact me if you have any questions in this matter.

Sincerely,

IL + Blil

John T. Blake

Mineral Resources Specialist

CC: Daron Haddock Mike Nelson